

§ 106-568.53. Powers and duties of the Commission.

The Commission shall have the following powers and duties:

- (1) To establish an industrial hemp research program to grow or cultivate industrial hemp in the State, to be directly managed and coordinated by State land grant universities. The Commission shall pursue any permits or waivers from the United States Drug Enforcement Agency or any other federal agency that are necessary for the establishment of the industrial hemp research program established by this Article. This research program shall consist primarily of demonstration plots planted and cultivated in North Carolina by selected growers. The growers shall be licensed pursuant to subdivision (2) of this section prior to planting any industrial hemp.
- (2) To issue licenses allowing a person, firm, or corporation to cultivate industrial hemp for research purposes to the extent allowed by federal law, upon proper application as the Commission may specify, and in accordance with G.S. 106-568.53A. Each licensee shall provide a complete and accurate legal description of the location of the industrial hemp farming operation, including GPS coordinates, and the license shall be issued for cultivation only in those locations identified in the application and shall include on its face the description of those areas. The Department shall provide administrative support to the Commission for the processing of applications and issuance of licenses.
- (3) To support the Commission's activities, and to reimburse the Department for expenses associated with the issuance of cultivation licenses under subdivision (2) of this section, the Commission may charge the following fees:
 - a. An initial, graduated license fee, to be paid by each cultivator, based upon the number of acres proposed for cultivation of industrial hemp, not to exceed ten thousand dollars (\$10,000), with incentive provisions to encourage the participation of small acreage farmers.
 - b. An annual fee that is the sum of two hundred fifty dollars (\$250.00) and two dollars (\$2.00) per acre of industrial hemp cultivated.In setting fees under this subdivision, the Commission may create fair and reasonable licensing preferences for license applicants from North Carolina counties that have been recognized as economically depressed or disadvantaged. The Department shall collect and manage all fees charged by the Commission and shall remit all funds collected under this subdivision to the Commission at least monthly. The Department may retain its actual expenses associated with the issuance of cultivation licenses from the amount to be remitted to the Commission.
- (4) To receive gifts, grants, federal funds, and any other funds both public and private needed to support the Commission's duties and programs.
- (5) To establish procedures for reporting to the Commission by the growers and processors for agricultural or academic research and to collaborate and coordinate research efforts with the appropriate departments or programs of North Carolina State University and North Carolina A & T State University.
- (6), (7) Repealed by Session Laws 2016-93, s. 3, effective July 11, 2016.
- (8) To adopt rules necessary to carry out the purposes of this Article, which shall include, but are not limited to, rules for all of the following:
 - a. Testing of the industrial hemp during growth to determine tetrahydrocannabinol levels. Testing methods and protocols shall

comply in all respects with any and all applicable federal requirements.

- b. Supervision of the industrial hemp during its growth and harvest, including rules for verification of the type of seeds and plants used and grown by licensees.
 - c. The production and sale of industrial hemp, consistent with the rules of the United States Department of Justice and Drug Enforcement Administration for the production, distribution, and sale of industrial hemp.
 - d. Means and methods for assisting law enforcement agencies to efficiently ascertain information regarding the legitimate and lawful production of industrial hemp.
 - e. Strategies and programs for the promotion of industrial hemp products and markets, in conjunction with the North Carolina Department of Agriculture, the North Carolina Department of Commerce, the University of North Carolina system, and the community college system.
 - f. The fees authorized by subdivision (3) of this section.
- The Commission shall adopt by reference or otherwise the federal regulations in effect regarding industrial hemp and any subsequent amendments to those regulations. No North Carolina rule, regulation, or statute shall be construed to authorize any person to violate any federal law or regulation.
- (9) To undertake any additional studies relating to the production, distribution, or use of industrial hemp as requested by the General Assembly, the Governor, or the Commissioner of Agriculture.
 - (10) To notify the State Bureau of Investigation and all local law enforcement agencies of the duration, size, and location of all industrial hemp demonstration plots authorized pursuant to the industrial hemp research program. (2015-299, s. 1; 2016-93, s. 3.)